KPMG

Financial Statements of

WASCANA CENTRE AUTHORITY

Year ended March 31, 2001

101-06660/

WASCANA CENTRE AUTHORITY

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March 31, 2001

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KPMG LLP
Chartered Accountants
2000 – 1881 Scarth Street
Regina SK S4P 4K9

Telephone (306) 791-1200
Telefax (306) 757-4703
www.kpmg.ca

AUDITORS' REPORT

To the Participating Parties of Wascana Centre Authority:

We have audited the statement of financial position of Wascana Centre Authority as at March 31, 2001, and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2001, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Regina, Canada

May 17, 2001

KPMG LLP, a Canadian owned limited liability partnership established under the laws of Ontario, is a member firm of KPMG International, a Swiss association.

WASCANA CENTRE AUTHORITY

Statement of Financial Position

March 31, 2001, with comparative figures for 2000

		2001	2000
Assets			
Current:			
Cash and term deposits	$	686,118	746,603
Accounts receivable		53,887	54,299
Inventory		3,722	3,667
Prepaid expenses		21,306	673
		765,033	805,242
Capital assets (note 3)		2,865,098	3,111,295
	$	3,630,131	3,916,537
Liabilities and Net Assets			
Current liabilities:			
Accounts payable	$	250,029	315,478
Early retirement benefits payable (note 4)		16,800	16,800
Deferred revenue		2,435	2,435
		269,264	334,713
Early retirement benefits payable (note 4)		43,550	60,350
Deferred contributions (note 5)		88,233	69,493
Net assets:			
Investment in capital assets (note 6)		2,865,098	3,111,295
Internally restricted (note 7)		363,986	340,686
Unrestricted		-	-
		3,229,084	3,451,981
Commitments and contingencies (note 9)			
	$	3,630,131	3,916,537

See accompanying notes to financial statements.

On behalf of the Authority:

Member

Member

WASCANA CENTRE AUTHORITY

Statement of Operations

Year ended March 31, 2001, with comparative figures for 2000

	2001	2000
Revenue:		
Government of Saskatchewan		
Statutory grant	$ 771,243	805,601
Maintenance grant	1,840,000	1,840,000
City of Regina		
Statutory grant	420,678	439,419
Maintenance grant	767,000	767,000
University of Regina		
Statutory grant	210,339	219,709
Maintenance grant	275,000	275,000
Other operating revenue (Schedule 1)	231,296	261,727
	4,515,556	4,608,456
Expenses:		
Landscape construction (Schedule 2)	356,260	418,730
Landscape maintenance (Schedule 3)	972,446	1,047,629
Service maintenance (Schedule 3)	734,269	646,015
Indirect costs (Schedule 3)	1,196,492	1,185,090
Specialized services (Schedule 4)	1,063,534	1,066,002
Amortization	383,489	370,445
Other expenses (note 7)	31,963	71,660
	4,738,453	4,805,571
Excess of expenses over revenue	$ (222,897)	(197,115)

See accompanying notes to financial statements.

WASCANA CENTRE AUTHORITY

Statement of Changes in Net Assets

Year ended March 31, 2001, with comparative figures for 2000

				Total	
	Investment in Capital Assets	Internally Restricted	Unrestricted	2001	2000
Balance, beginning of year	$ 3,111,295	340,686	-	3,451,981	3,649,096
Excess of revenue over expenses (expenses over revenue)	(383,489)	-	160,592	(222,897)	(197,115)
Net change in investment in capital assets (note 6)	137,292	-	(137,292)	-	-
Transfer to unrestricted net assets (note 7)	-	(31,963)	31,963	-	-
Internally imposed restrictions (note 7)	-	55,263	(55,263)	-	-
Balance, end of year	$ 2,865,098	363,986	-	3,229,084	3,451,981

See accompanying notes to financial statements.

WASCANA CENTRE AUTHORITY

Statement of Cash Flows

Year ended March 31, 2001, with comparative figures for 2000

		2001	2000
Cash provided by (used in):			
Operating activities:			
Excess of expenses over revenue	$	(222,897)	(197,115)
Items not involving cash:			
Amortization		383,489	370,445
Gain on sale of capital assets		(10,735)	(13,720)
Decrease (increase) in accounts receivable		412	(3,630)
Increase in inventory		(55)	(78)
Decrease (increase) in prepaid expenses		(20,633)	9,726
Decrease in accounts payable		(65,449)	(5,908)
Decrease in contractual deposits		-	(7,077)
Decrease in early retirement benefits payable		(16,800)	(22,400)
Decrease in deferred revenue		-	(126,788)
Increase (decrease) in deferred contributions		18,740	(43,729)
		66,072	(40,274)
Financing activities:			
Purchase of capital assets (note 6)		(137,292)	(199,130)
Proceeds on sale of capital assets		10,735	14,226
		(126,557)	(184,904)
Decrease in cash and term deposits		(60,485)	(225,178)
Cash and term deposits, beginning of year		746,603	971,781
Cash and term deposits, end of year	$	686,118	746,603

See accompanying notes to financial statements.

WASCANA CENTRE AUTHORITY

Notes to Financial Statements

Year ended March 31, 2001, with comparative figures for 2000

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1. Description of operations:

On April 1, 1962, *The Wascana Centre Act* (the "Act") was passed unanimously by the Saskatchewan Legislature. By this Act, the Wascana Centre Authority (the "Authority") was established as a statutory corporate body for the operation of Wascana Centre (the "Centre"). The Government of Saskatchewan (the "Government"), the City of Regina (the "City") and the University of Regina (the "University"), usually referred to as "Participating Parties", became partners in the Wascana Centre Authority.

Under the powers of the Act, the Authority establishes a master plan for the Centre and ensures all developments are consistent with the plan; approves all exterior improvements including building, service facility and landscape improvements; establishes bylaws; provides special services; undertakes landscape construction and maintains the grounds within the boundaries of the Centre.

The Authority is a registered charity within the meaning of the *Income Tax Act* (Canada) and is exempt from income taxes.

The Authority is economically dependent upon the Participating Parties and is financed as follows:

Statutory grant:

These funds are provided for in Section 53 of the Act, on the shared basis of 55% by the Government, 30% by the City and 15% by the University and are based on a mill-rate formula, providing the necessary funding for the administrative and general operating expenses of the Authority, as well as capital expenditures on lands located within the Centre, the title for which is held in the name of the Authority. The Act also provides that no less than $375,000 of this amount be directed towards landscape construction and service facility construction and restoration on Authority-owned land, and service facility construction on land of a Participating Party when the service facility construction is deemed to be of mutual benefit to the three Participating Parties, pursuant to Section 30 of the Act.

Operating grants:

Beyond the statutory contribution, operating grants are also provided by each of the Participating Parties based on land ownership.

To maintain uniformity throughout the Centre, unit operating costs are established pursuant to Section 37 of the Act, and applied as standards for landscape and service maintenance. This ensures that each of the Participating Parties pays its fair share of operating costs for lands located within the Authority, the title for which is held by the respective Participating Parties.

Developments such as buildings, roadways and landscaped areas are the responsibility of the landowner holding title to such developments.

WASCANA CENTRE AUTHORITY

Notes to Financial Statements

Year ended March 31, 2001, with comparative figures for 2000

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2. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles.

Revenue recognition:

The Authority follows the deferral method of accounting for contributions which include government grants and donations. Where a portion of a grant relates to a future period, it is deferred and recognized in the subsequent period.

Revenue from fees, contracts and sales of goods and services is recognized when the services are provided or the goods are sold.

Cash and term deposits:

Cash and term deposits consist of cash, bank overdraft and term deposits with a maturity date of 90 days or less.

Capital assets:

Purchased assets are recorded at cost. Capital assets originally contributed by the Participating Parties at incorporation have been recorded at a nominal value of $1. All landscape construction costs and normal maintenance and repair expenditures are expensed as incurred.

Amortization is provided on the straight-line basis over the following periods:

Buildings	20 years
Equipment	5 - 10 years
Vehicles	5 - 8 years
Office furniture	10 years

Landscape construction:

In accordance with the Act, specifically designated expenditures that are incurred for landscape construction on public land and construction of service facilities on Authority land or on land of a Participating Party are expensed.

WASCANA CENTRE AUTHORITY

Notes to Financial Statements

Year ended March 31, 2001, with comparative figures for 2000

2. Significant accounting policies (continued):

Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

3. Capital assets:

			2001	2000
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Assets from Participating Parties	$ 1	-	1	1
Land	1,669,895	-	1,669,895	1,669,895
Buildings	3,885,468	3,447,608	437,860	605,909
Vehicles	511,271	340,024	171,247	183,240
Office furniture	205,283	156,945	48,338	41,552
Equipment	1,963,732	1,425,975	537,757	610,698
	$ 8,235,650	5,370,552	2,865,098	3,111,295

4. Early retirement benefits payable:

Amounts owing under an early retirement program are as follows:

	2001	2000
Bridge benefits payable to early retirees until year 2008	$ 60,350	77,150
Less: current portion	16,800	16,800
Long-term portion	$ 43,550	60,350

WASCANA CENTRE AUTHORITY

Notes to Financial Statements

Year ended March 31, 2001, with comparative figures for 2000

4. Early retirement benefits payable (cont'd):

Estimated payments are as follows:

2002	16,800
2003	15,050
2004	9,800
2005	5,250
2006	4,200
Thereafter	9,100

5. Deferred contributions:

Deferred contributions related to expenses of future periods represent unspent statutory grants for landscape construction as defined in the Act and described in note 1.

		2001	2000
Balance, beginning of year	$	69,493	113,222
Add amounts received during the year		375,000	375,000
Less amounts recognized as revenue during the year		(356,260)	(418,729)
Balance, end of year	$	88,233	69,493

6. Investment in capital assets:

Investment in capital assets is calculated as follows:

		2001	2000
Capital assets, beginning of year	$	3,111,295	3,283,116
Purchase of capital assets		137,292	199,130
Net book value of capital assets disposed		-	(506)
Amortization of capital assets		(383,489)	(370,445)
Capital assets, end of year	$	2,865,098	3,111,295

WASCANA CENTRE AUTHORITY

Notes to Financial Statements

Year ended March 31, 2001, with comparative figures for 2000

6. Investment in capital assets (cont'd):

Change in investment in capital assets is calculated as follows:

		2001	2000
Excess of expenses over revenue:			
Amortization of capital assets	$	(383,489)	(370,445)
	$	(383,489)	(370,445)
Net change in investment in capital assets:			
Purchase of capital assets	$	137,292	199,130
Net book value of capital assets disposed		-	(506)
	$	137,292	198,624

7. Internally restricted net assets:

The Authority has internally restricted amounts for expenditures relating to special administrative and operating requirements and other projects.

The internally restricted amounts are not available for other purposes without approval by the Authority. During the year, $31,963 (2000 - $71,660) was transferred to unrestricted net assets and $55,263 (2000 - $46,366) was transferred from unrestricted net assets.

		2001	2000
Balance, beginning of year	$	340,686	365,980
Transfers to unrestricted net assets:			
Wascana Lake deepening study		(31,963)	(25,000)
Master Plan review		-	(21,478)
Infrastructure		-	(5,142)
Administrative projects		-	(1,803)
Fine arts projects		-	(18,237)
		(31,963)	(71,660)
Transfer from unrestricted net assets		55,263	46,366
Balance, end of year	$	363,986	340,686

WASCANA CENTRE AUTHORITY

Notes to Financial Statements

Year ended March 31, 2001, with comparative figures for 2000

8. Related-party transactions:

Included in these financial statements are expenditures resulting from routine operating transactions with various agencies and departments of the Participating Parties.

These transactions are in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The Authority had the following transactions with related parties:

	2001	2000
Expenses:		
Landscape construction	$ 76	-
Landscape maintenance	2,257	254
Service maintenance	158,237	135,983
Indirect costs	114,809	129,111
Specialized services	70,630	62,830
Amounts not specifically disclosed in the balance sheet:		
Accounts receivable	$ 17,216	29,061
Prepaid expenses	6,663	363
Accounts payable	37,674	54,189
Deferred revenue	2,435	2,435

During the year, the Authority incurred expenses of $208,949 (2000 - $306,225) for services provided to the Participating Parties and outside agencies on a contractual basis that were fully recovered from the Participating Parties and outside agencies.

9. Commitments and contingencies:

The Authority is committed to leases for office equipment requiring minimum lease payments of $9,006 for each of the next four years.

The Authority has been named as a Defendant in certain lawsuits. In the opinion of management, these matters will not materially impact the Authority's present or future financial operations, and no provision has been made for them in the accounts. Should any loss result from the resolution of these claims, it will be accounted for in the year of settlement.

KPMG

Supplementary Financial Information of

WASCANA CENTRE AUTHORITY

Year ended March 31, 2001

KPMG LLP
Chartered Accountants
2000 – 1881 Scarth Street
Regina SK S4P 4K9

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Telefax (306) 757-4703
www.kpmg.ca

AUDITORS' REPORT

To the Participating Parties of Wascana Centre Authority:

We have audited and reported separately herein on the financial statements of Wascana Centre Authority as at and for the year ending March 31, 2001.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Authority taken as a whole. The current year's supplementary information included in Schedules 1-4 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

KPMG LLP

Chartered Accountants

Regina, Canada

May 17, 2001

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WASCANA CENTRE AUTHORITY

Schedule 1 - Other Operating Revenue

Year ended March 31, 2001, with comparative figures for 2000

		2001	2000
Service maintenance contracts	$	82,100	82,300
Interest		56,363	52,631
Rent		23,846	28,514
Gift shop revenue (net of cost of goods sold of $71,068; 2000 - $65,546)		21,470	23,347
Ferry boat revenue		12,054	13,876
Gain on sale of capital assets		10,735	13,720
Miscellaneous		8,894	13,823
Parking ticket revenue		8,520	2,858
Other grant revenue		7,314	30,658
	$	231,296	261,727

Schedule 2 - Landscape Construction

Year ended March 31, 2001, with comparative figures for 2000

		2001	2000
Development salaries	$	100,348	96,507
Wascana bikeway		92,755	115,906
Waterfowl Park overlook		42,716	4,897
Development depot decommissioning		37,815	-
Wascana Park bandstand		23,619	1,672
Tree planting		12,575	28,765
Trafalgar Overlook Phase III		10,334	-
Repair service facilities		9,517	15,635
Candy Cane playground lighting		7,560	-
Wascana Place east plaza		7,272	-
Wascana Drive pathway		6,246	-
Master plan program		4,705	3,673
Other projects		798	1,025
Wascana Lake deepening study		-	31,843
Wascana Park promenade repair		-	27,562
Boardwalk repair		-	23,818
Lower Marina landscape		-	23,682
Culliton Centre irrigation		-	16,569
Links between capitals seating area		-	13,886
Lakeshore Drive landscape renovations		-	13,290
	$	356,260	418,730

WASCANA CENTRE AUTHORITY

Schedule 3 - Landscape Maintenance, Service Maintenance and Indirect Costs

Year ended March 31, 2001, with comparative figures for 2000

		2001	2000
Landscape Maintenance			
Salaries:			
Irrigated turf	$	396,520	454,900
Trees and shrubs		200,900	200,560
Flowers, bedding plants, nursery		82,884	81,786
Unimproved		41,188	45,951
Playing fields		40,883	42,397
Picnic sites, park furniture, amenities		30,911	45,403
		793,286	870,997
Materials		179,160	176,632
	$	972,446	1,047,629
Service Maintenance			
Salaries:			
Snow removal	$	183,092	111,117
Survey and engineering		68,197	68,483
Roads, lighting and signs		32,351	30,972
Buildings and washrooms		25,905	27,880
		309,545	238,452
Utilities		157,115	169,381
Building repair and maintenance - materials		134,967	112,074
Supplies and materials		98,302	93,584
Insurance		34,340	32,524
		424,724	407,563
	$	734,269	646,015

WASCANA CENTRE AUTHORITY

Schedule 3 - Landscape Maintenance, Service Maintenance and Indirect Costs

Year ended March 31, 2001, with comparative figures for 2000

	2001	2000
Indirect Costs		
Equipment Maintenance:		
Salaries	$ 109,232	113,096
Gas, oil and grease	102,071	79,420
Miscellaneous repairs and materials	88,065	93,206
Vehicle and equipment rental, registration and insurance	66,247	71,856
Cost recoveries	(29,253)	(32,172)
	336,362	325,406
Employee benefits (net of cost recoveries of $59,463; 2000 - $60,886)	630,378	636,249
Supervisory salaries	229,752	223,435
	$ 1,196,492	1,185,090

WASCANA CENTRE AUTHORITY

Schedule 4 - Specialized Services

Year ended March 31, 2001, with comparative figures for 2000

	2001	2000
Greenhouse:		
Salaries	$ 89,095	83,642
Materials	48,811	39,130
	137,906	122,772
Police:		
Salaries	151,087	146,529
Vehicle operation and rental	25,282	23,137
Uniforms, radios and other	4,674	8,053
Parking enforcement and security services	744	1,410
	181,787	179,129
Public relations and gift shop operations:		
Salaries	161,105	171,400
Information and committee programs	33,558	40,541
Art gallery and gift shop expense	12,594	12,319
Photography and printing	2,874	14,777
Display ponds	2,782	1,619
	212,913	240,656
Administration:		
Salaries	364,397	366,136
Telephone	31,715	28,835
Data processing	30,682	23,990
Photocopying and supplies	25,033	20,872
Training and travel	17,993	26,829
Audit	14,600	9,600
Regulatory and consulting	12,750	13,276
Honoraria and association fees	9,138	10,812
Legal expenses	8,741	9,423
Postage and courier services	8,346	7,822
Reference books and subscriptions	7,533	5,850
	530,928	523,445
	$ 1,063,534	1,066,002